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MUNICIPAL GOVERNMENT ADMINISTERED BY A GENERAL MANAGER—THE STAUNTON PLAN

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In order to obtain a more economic and business system of municipal government, a large number of cities have, within the past ten years, adopted the commission plan, with which every person is more or less familiar.

The City of Staunton, Virginia, some three years ago adopted the unique and business method of government by a general manager,¹ whose prototype is found in every large private corporation. As every person is, no doubt, familiar with the cumbersome and expensive operation of municipal government through council committees, it is hardly necessary to dwell on the disadvantage of a system so antiquated, which should have been abolished years ago.

Councilmen as a rule are, or should be, business men, who have their private affairs to look after, which naturally consumes all of their time and attention, and it is not reasonable to presume that they, receiving neither pay nor thanks for anything they may do for the interest of the city, can afford to neglect their private interests to look after the business of the city. Hence, under the old system, the affairs of the city were run by the heads of departments with the assistance of a few councilmen who, in a great many cases, were contractors bidding for city contracts. Not infrequently, also, the heads of departments were men totally unfit for the positions they occupied, who had received their appointments and held their jobs through political or other favored influence. Under the present "Staunton plan" this is all a thing of the past, and the business of the city is conducted on the same general business principles as all large industrial private corporations are conducted.

The constitution of Virginia requires cities to maintain their mayor and council, and in cities of the first class, those having a

¹ See also, in addition to *The Lockport Proposal*, *infra*, the *New Mexico Plan* discussed in *Commission Government in the West*, *supra*.—EDITOR.

population of ten thousand or more, two branches of the council are required. Therefore, we were unable to abolish the council and adopt a commission form of municipal government. However, as the provisions of section 1038 of the Virginia Code permits the council to establish such offices as may be necessary to properly conduct the city's affairs, the idea of a general manager was conceived and a general manager was elected by the council.

In discussing the merits of this system, I will compare it with that of a private industrial corporation, in order that the "Staunton plan" may be more fully understood and appreciated.

There is this difference between the municipal corporation and the private corporation. The private corporation is a business proposition entirely, while the municipal corporation consists of two distinct branches which do not conflict but work in harmony, the one with the other. By the two branches is meant the legislative and the executive. The executive is also subdivided into two branches. The one consists of the mayor and the courts who have charge of the enforcement of the laws, particularly the penal ordinances. The other, or business branch, is under the control of the general manager who takes the place of council committees, and has full charge and control of all the business of the city, gives bond for the faithful performance of his duty and is responsible to the council. In this article I am discussing the business portion of the executive branch of municipal government.

The "Staunton plan" is a democratic government "for the people and by the people." Neither the people nor the council have surrendered any of their sovereign rights; they have simply created an office known as that of a general manager, a paid employee, who devotes his whole time and attention to the business of the city and who is responsible to the council and the people, instead of intrusting the affairs of the city to the committees of the council. For each councilman thinks that the other members of the committee have more time than he has for looking after the business of the city, and each committeeman is of the same opinion—always willing to let the other fellow do it. As a result, that which is every one's business is no one's business, and the poor old city gets along the best she can to the detriment of the taxpayer in particular and the people in general. Would any private corporation consider for a moment conducting its business through committees com-

posed of stockholders who receive no pay for such service, who have other business affairs to look after, and who would devote only spare moments, so to speak, to the business of the corporation? A corporation run on this plan would hardly produce dividends, neither would its stock be sold at a premium. Now, we have simply done as do the private corporations. We have elected a general manager, a paid employee, to attend to the business of the city and produce dividends for the taxpayer by keeping his taxes down to the minimum rate and by giving him value received for every dollar he pays into the municipal treasury.

The mayor is the official head of the municipality and corresponds to the president of the private corporation. The general manager of a municipality is the executive and business manager, whose duties correspond in every particular with those of the general manager of a private corporation. The council adopts the ordinances, fixes the rate of taxation, and formulates the policy, and the mayor and general manager see that they are carried out. Under our constitution the mayor has entire charge of the police and fire departments. The general manager, however, does all of the purchasing for these departments on a requisition from the chiefs. We retain the finance, ordinances, and auditing committees, as their duties require very little time and attention, and serve as a check on the general manager. At the beginning of the fiscal year, the general manager submits his estimates to the finance committee, showing in detail the needs of the various departments, together with his recommendations. From this report the finance committee makes its recommendation to the council of the amount of taxes to be levied for the fiscal year. The general manager has no authority to fix the rate of taxation or to contract loans on account of the city, but this is all left in the hands of the finance committee and the council, who are the representatives of the people. The ordinance committee, with the assistance of the city attorney, draws up all of the ordinances and puts them in proper legal form to be presented to the council for adoption. The auditing committee passes on all of the accounts of the general manager each month, and makes a report to the council in addition to the regular quarterly report submitted to the council by the general manager.

The general manager is required to make quarterly and annual reports to the council, showing in detail all work done by him. In

the general manager's office is kept a regular set of double entry books, which serve as a complete check on the office of the city treasurer. Both the general manager and the treasurer render monthly balances to the council, and these balances must agree, the one operating as a check against the other. The books in the general manager's office are kept in such a manner that a detailed statement can be had at any time on any account, and are always open for inspection.

There is nothing new in our system; we have simply adopted for the government of our city the business methods of the private corporation. We believe that our system is in many respects better than the commission plan. In Des Moines, for example, a recall was threatened against the commissioner who had charge of the police department. He said he was not to blame for conditions since the other commissioners had, against his will, installed a chief of police who defied him. It seems to me that our system can be adapted and made just as applicable to a large city as to small cities and towns. Of course, in a large city, the general manager would require a large number of subordinates, superintendents, heads of departments, etc., but he would be the central and responsible head. And if adaptable to large cities, why not to counties and states? What would be the saving to taxpayers in the large cities if their business affairs were conducted on the same business principles as are the large private corporations, such as the Standard Oil Company, the United States Steel Corporation, the great railroad corporations and others? This system is not calculated to meet the approval of the political grafter; he prefers the old system as good enough for him.

As we have had this system in operation for more than three years, and passed the experimental state, it will quite naturally be asked, what have been the results? It has not only been a success in every particular, but has produced better results in a shorter time than was anticipated by its most enthusiastic supporters. The people, with few exceptions, are well pleased and would not, under any consideration, return to the old system. The casual observer cannot help noticing the marked improvement in our streets and sidewalks. If the citizens have any business with the city they know exactly whom to go to. They also know where and how every dollar of their taxes is spent, and what the results are. Under the

old system, if a citizen had any business with the city he was sent from one party to another until he frequently became disgusted trying to find the proper party to attend to his case, and gave up all hope of ever being able to transact his business. To be able at all times to know exactly where and how your money is being spent, the cost of each particular piece of work, and the maintenance of each department of the city government, is certainly worth a great deal. This feature of the new system is sufficient to justify the maintenance of the office. I believe that it is the general opinion that under the old system we never did one-half of the improvements that we have been able to do under the new system, particularly in the matter of streets, sidewalks, sewers, and extension of water mains.

Under the old system our bonded debt was largely due to bad business methods. It was the custom to allow free rein to the council committees, and usually wind up at the end of the year with a deficit. This would be repeated each year until the deficit grew to such proportions that it could be no longer carried as a floating debt, and would be taken up with an issue of bonds of the thirty year period kind. Since the adoption of our new plan, generally known as "The Staunton Plan," we have not increased our bonded debt nor raised our tax rate; notwithstanding the fact that two years ago the city voted out the saloon, thereby causing a loss in revenue derived from saloon licenses of \$12,500 per annum. In addition to this loss in revenue, we had the misfortune within the last year to have two catastrophes, a cave-in and a fire, which caused a loss of about \$40,000. Had it not been for these, over which we had no control, we could this year have reduced our tax rate from ten to fifteen cents on each \$100.00 taxable value.

By reason of the improvements in streets, sidewalks, sewers, water and electric lights, real estate values have increased fully 25 per cent. We have, under the new system, constructed 23,237 lineal feet of macadam street, 3,710 lineal feet of which is surfaced with asphalt binder; 15,083 lineal feet of granolithic sidewalks; 4,925 lineal feet of concrete gutters; 14,301 lineal feet of sewers; 14,789 lineal feet of water mains and 215 water connections, the latter increasing the revenue derived from water rents fully 15 per cent; we have increased the electric light and fire alarm service at least 10 per cent; improved our park, consisting of about

115 acres, 50 per cent; increased our police force, and raised the salaries and wages of a large number of officials and employees whose salaries and wages were small; established the office of city health officer, and increased the appropriation for schools 16 $\frac{2}{3}$ per cent.

By reason of the extension of the corporate limits one year prior to the adoption of our new system, there was added 100 per cent more area, which greatly increased the cost of maintenance of streets and sidewalks, and required the extension of the water mains, electric light, fire alarm, and sewer systems. The amount of money expended in the annexed territory was far in excess of the revenue derived from taxation in that district. Under the order of the Circuit Court in extending the corporate limits, the tax rate was not to be raised from the county rate for five years from the date said order went into effect, thereby causing a loss in revenue to the city of sixty-five cents on the \$100.00 taxable value thereof for five years.

As the accounts under the old system were kept in a general way, without regard to any detail, it is almost impossible, without consuming a great deal of time and labor, to make a comparison of the amount of money expended in the various departments and the results obtained, with that of the new system. I will illustrate this by only one item, that of granolithic paving. Under the old system we were paying from \$1.75 to \$2.25 per square yard for a very inferior grade of granolithic work which was done by contract; under the new system we are doing a much better class of work with hired labor under the supervision of our general manager (who is a practical engineer), for ninety and a half cents per square yard. Under the old system it was frequently found that the same article was purchased at different prices for different departments. Under our new system all supplies are purchased by the general manager in bulk, large quantities of supplies are advertised for and contracts are awarded to the lowest responsible bidder.

Under the old system the responsibility was distributed among the heads of the various departments and there was really no responsible head. Under the new system the responsibility is centered in the general manager. All departments report to him and work in harmony as a unit. Where there is unity there is strength; where there is division there is friction. A city's forces must be

united and work in harmony to make its operations successful and obtain the best results.

In order to adopt this system properly, the council should be abolished, and in lieu thereof, a board of directors elected consisting of five members in cities of fifty thousand and under. In larger cities it would probably be well to increase the number of directors according to the population. One of these should be the mayor. Each director should be paid a salary commensurate with his duties. The board of directors should employ the general manager and give him sufficient authority to properly manage and conduct the business of the city. The general manager should hire and discharge all heads of departments and employees. The heads of departments and employees should be placed under civil service to prevent the general manager from abusing his authority or impairing the service, and at the same time to allow him to secure the most competent employees. That is, the city should be managed and operated in the same business manner as the private corporation.